

MIRA INFORM REPORT

Report No. :	538196
Report Date :	03.11.2018

IDENTIFICATION DETAILS

Name :	DEVELOPMENT SERVICES (DS OMAN)
Registered Office :	Building No. 2330, Block No. 165 Way No. 6527 Wadi Kabir PO Box 2463, Ruwi 112 Muscat
Country :	Oman
Financials (as on) :	31.12.2017
Date of Incorporation :	12.02.1978
Com. Reg. No.:	1/06291/3
Legal Form :	Sole Proprietorship
Line of Business :	Subjects operations are performed through the following divisions <ul style="list-style-type: none"> • Electrical Division • Oil & Gas Division • Industrial Projects Division • Trading Division
No. of Employees :	15

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating :	A
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Maximum Credit Limit :	US\$ 200,000
Status :	Satisfactory

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Payment Behaviour :	No Complaints
Litigation :	Clear

NOTES :

Any query related to this report can be made on e-mail : infodept@mirainform.com while quoting report number, name and date.

ECGC Country Risk Classification List

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
Oman	A2	A2

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

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OMAN - ECONOMIC OVERVIEW

Oman is heavily dependent on oil and gas resources, which can generate between 68% and 85% of government revenue, depending on fluctuations in commodity prices. In 2016, low global oil prices drove Oman's budget deficit to \$13.8 billion, or approximately 20% of GDP, but the budget deficit is estimated to have reduced to 12% of GDP in 2017 as Oman reduced government subsidies. As of January 2018, Oman has sufficient foreign assets to support its currency's fixed exchange rates. It is issuing debt to cover its deficit.

Oman is using enhanced oil recovery techniques to boost production, but it has simultaneously pursued a development plan that focuses on diversification, industrialization, and privatization, with the objective of reducing the oil sector's contribution to GDP. The key components of the government's diversification strategy are tourism, shipping and logistics, mining, manufacturing, and aquaculture.

Muscat also has notably focused on creating more Omani jobs to employ the rising number of nationals entering the workforce. However, high social welfare benefits - that had increased in the wake of the 2011 Arab Spring - have made it impossible for the government to balance its budget in light of current oil prices. In response, Omani officials imposed austerity measures on its gasoline and diesel subsidies in 2016. These spending cuts have had only a moderate effect on the government's budget, which is projected to again face a deficit of \$7.8 billion in 2018.

Source : CIA

SUMMARY

Company Name	: DEVELOPMENT SERVICES (DS OMAN)
Country of Origin	: Oman
Legal Form	: Sole Proprietorship
Registration Date	: 12th February 1978
Commercial Registration Number	: 1/06291/3
Chamber Membership Number	: 2119/2
Invested Capital	: RO 250,000
Total Workforce	: 15
Activities	: Subject operates several divisions (see below for details)
Financial Condition	: Fair
Payments	: No Complaints
Operating Trend	: Steady
Recommended Credit Limit	: US\$ 200,000

COMPANY NAME

DEVELOPMENT SERVICES (DS OMAN)

ADDRESS

REGISTERED & PHYSICAL ADDRESS

Building : Building No. 2330, Block No. 165
Street : Way No. 6527
Location : Wadi Kabir

PO Box : 2463, Ruwi 112

Town : Muscat
Country : Oman

Telephone : (968) 24814081 / 24815091 / 24815021
Facsimile : (968) 24816017
Mobile : (968) 99367020 / 92348284
Email : development@dsoman.com / saji@dsoman.com

Premises

Subject operates from a small suite of offices that are owned and located in the Central Business Area of Muscat.

KEY PRINCIPALS

<u>Name</u>	<u>Position</u>
• Sarhan Ali Ahmed Sarhani	Proprietor and General Manager
• Saji Mathew	Assistant General Manager
• Heimo Tauern	Optical Manager
• Ramikrishnan Prasad	Sales Manager
• Sunil Kumar	Finance Manager
• Mahesh Vishnu	Business Development Manager

LEGAL FORM & OWNERS

Date of Establishment : 12th February 1978

Legal Form : Sole Proprietorship

Commercial Reg. No. : 1/06291/3

Chamber Member No. : 2119/2

Invested Capital : RO 250,000

Mr Sarhan Ali Ahmed Sarhani is the sole proprietor of the business.

AFFILIATED COMPANIES

- Al Gazal Opticians
Muscat
- Properties Development
Muscat
- Nafal Road Construction LLC
Muscat
- Nafal Contracting and Trading Co LLC
Muscat
- Nafal Industrial LLC
Muscat
- Development Services and Maintenance LLC
Muscat
- Muttrah Oilfield Supply & Services LLC
Muscat
- Al Anwar Catering Services
Muscat

OPERATIONS

Activities: Subjects operations are performed through the following divisions:

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- **Electrical Division**

DS is one of the leading suppliers of electrical equipment for the High Voltage Systems. Electrical division is specialized in supply of electrical equipment to Power, Oil & Gas Industry. DS exclusively or on a project basis looks after the interest of several International Companies. We supply equipment to the following:-

Oman Electricity Transmission Company SAOC
Muscat Electricity Distribution Company SAOC
Mazoon Electricity Company SAOC
Majan Electricity Company SAOC
Rural Electric Companies SAOC
Ministry of Defence
Ministry of Health
Dofar Power Company SAOC
Local International EPC Contractors

Product Range:

Transformer upto 220 kV
Gas Insulated Switchgear
Termination Kit
Motor
Insulator
Surge Arrester
Air Break Switches
Air Warning System
Transmission Line Hardware
Hot Line Tools
Testing Equipment (Online/Offline)
Cable Laying Equipment

- **Oil & Gas Division**

Oil & Gas Division is specialized in supplying equipment and service to the Petroleum & Gas Industry. We are registered suppliers to the following: -
Petroleum Development of Oman (PDO).
Oman Refinery Co. (ORC)
Oman Gas Co. (OGC)
Occidental of Oman and various other Oil and Gas construction companies.

Product Range:

Pipes
Valves
Flanger & Fittings
Pumps
Field Instrument
Burners & Flarer
Insulation & Refractory Materials
Explosion Proof Fittings
Aluminium Sheets & Coil
Oil Field Chemicals

- **Industrial Projects Division**

We have established exclusive agency agreements with International Manufacturers for forth coming Industrial Projects in Oman and also well specialized in identifying those forth coming projects. The division provides market intelligence for its international partner in supplying equipment and providing service for green field projects.

The Aluminium Smelter Project

- We are in the process of establishing the Aluminium Industrial Service division. This division will focus on the forth coming Aluminium Smelter Plant to supply the capital equipment during the construction stage and consumables during the operation stage.
- Product Details:
 - Furnace
 - Cranes
 - Anode Plant
 - Rodding Shop Equipment
 - Crucible Cleaners
 - Refractor Lining Material
 - Transportation Vehicle
 - Protective Clothing
 - Level Measurement Instrument
 - Chemicals

Petrochemical Project

- **Product Details:**

Industrial Boiler
Heat Exchanger
Pressure Vessels

Tanks
Incinerators
EPC Contractors

Sewage Plants

- **Product Details:**

Engineering Services
EPC Contractors
RO Plant
Process Instrument & Controls
Pump
Motor

Aviation Industry

- **Product Details:**

Flight Information Display Systems
Baggage Handling Systems
Aircraft Ground Support Equipments
Aircraft Maintenance Equipments
Facilities Management

- **Trading Division**

Engaged in the distribution of chemicals, electrical equipment, light fittings, fire fighting equipment, safety equipment and general merchandise.

Import Countries: Europe and the Far East

International Suppliers:

- | | |
|---|--------------------------|
| • ABB | Dubai |
| • Hyundai Engineering | Dubai |
| • Hanwa Engineering & Constr Corp | South Korea |
| • CTCI Corporation | Taiwan |
| • Daekyung Machinery & Engineering Co Ltd | South Korea |
| • GR Engineering | India |
| • TIFAB | United States of America |
| • CMI | Belgium |
| • MSA | Czech Republic |
| • Thermo Electra | Netherlands |

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- | | |
|-----------------------------|--------------------------|
| • Hyundai Rotem Company | South Korea |
| • Reel SAS | France |
| • Caren | Spain |
| • Tridelta GmbH | Germany |
| • Bharath Bijlee Ltd | India |
| • Shin Seong Elrex Corp | South Korea |
| • Dalekovod | Croatia |
| • Titanium Fabrication Corp | United States of America |
| • Zeeco | United States of America |
| • Man Industries | India |

Projects:

Equipment/ Project	Client	Our Principal	Approx. Value US\$
Sewage Treatment Plant	Haya Water	Hyundai Rotem, Korea	260 Million
HRSG	Mukhaizna Project	NEM - Germany	45 Million
Boilers	Sohar Fertilisers	NEM - Germany	6 Million
Power Cables (Various Projects)	OETC	Taihan Electric Wire Co. Ltd., Korea	35 Million
Boilers	Sohar Refinery	Standard Fasel Lentjes - Netherlands	12.2 Million
Transformers (Various Projects)	OETC & IWPP PROJECTS	Hyosung Corp. - Korea	10 Million
Heat Exchanger	Oman Refineries & Petrochemicals Co.	DKME. - Korea	32 Million
Gas Insulated Switchgear (Various Projects)	OETC	Hyosung - Korea	5 Million
Boilers	Fertiliser Project	NEM - Netherlands	12 Million
Acid Gas Incinerator	Gas Sweetening Project	Zeeco Inc. – U.S.A	1.5 Million
Aviation Warning Systems	OETC	Shin Seong Elrex, Korea	1 Million
Carbon Steel line pipe	PDO	MAN Industries - India	15 Million

Operating Trend: Steady

Subject has a workforce of 15 employees.

FINANCIAL DATA

Financial highlights provided by local sources are given below:

Currency: Riyal Omani (RO)

	Year Ending 31/12/16:	Year Ending 31/12/17:
Total Sales	RO 5,200,000	RO 5,550,000

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Local sources consider subject's financial condition to be Fair.

The above financial figures are based on estimations by our local sources.

BANKERS

- Bank of Oman, Bahrain & Kuwait
PO Box: 4708
Muscat
Tel: (968) 24710528
- Bank Muscat Al Ahli Al Omani
PO Box: 6326
Muscat
Tel: (968) 24701769

PAYMENT HISTORY

No complaints regarding subject's payments have been reported.

GENERAL COMMENTS

The subject and its shareholders/owners have been searched in the following databases; Office of Foreign Assets Control (OFAC), United Nations Security Council Sanctions, Australian Sanctions List, US Consolidated Sanctions List, EU Financial Sanctions List and UK Financial Sanctions List and nothing adverse could be found on the exact names listed within the report.

During the course of this investigation nothing detrimental was uncovered regarding subject's operating history or the manner in which payments are fulfilled. As such the company is considered to be a fair trade risk.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.88
UK Pound	1	INR 94.75
Euro	1	INR 83.23
OMR	1	INR 189.48

Note : Above are approximate rates obtained from sources believed to be correct

INFORMATION DETAILS

Analysis Done by :	VIV
Report Prepared by :	TRU

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RATING EXPLANATIONS

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)